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IN THE
Supreme Court of the United States

OCTOBER TERM, 1943

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No. 814

THE PENNZOIL COMPANY, A CORPORATION OF
CALIFORNIA,

AND

THE PENNZOIL COMPANY, A CORPORATION OF
PENNSYLVANIA,

Petitioners,

vs.

CROWN CENTRAL PETROLEUM CORPORATION,
Respondent.

**PETITION FOR A WRIT OF CERTIORARI TO THE
CIRCUIT COURT OF APPEALS FOR THE FOURTH
CIRCUIT AND BRIEF IN SUPPORT
THEREOF**

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*To the Honorable, the Chief Justice of the United States
and the Associate Justices of the Supreme Court
of the United States:*

This is an application on behalf of The Pennzoil Company, a corporation of California, of Los Angeles, California, and The Pennzoil Company, a corporation of Pennsylvania, of Oil City, Pennsylvania, for a writ of certiorari

to review a judgment of the Circuit Court of Appeals for the Fourth Circuit entered on January 21, 1944, affirming a judgment of the District Court of the United States for the District of Maryland.

The opinion of the Circuit Court of Appeals is at page 486 of the record, and is reported in 140 F. 2d 387. The opinion of the District Court is at pages 19-38 of the record, and is reported in 50 F. Supp. 891.

I.

JURISDICTION

(a) Federal jurisdiction of the Courts below existed under the Trade-Mark Act of 1905 (15 U. S. C. A., Secs. 81-134) and under Sec. 24 of the Judicial Code (28 U. S. C. A. 41: 1 and 7).

(b) The jurisdiction of this Court is invoked under Sec. 240 of the Judicial Code, as amended by Act of Congress of February 13, 1925, 43 Stat. 938; 28 U. S. C. A. 347(a); and Sec. 18 of the Trade-Mark Act of February 20, 1905, c. 592, 33 Stat. 829 (15 U. S. C. A., Sec. 98).

(c) This Court has never passed upon the questions of trade-mark law presented in this case.

II.

SUMMARY AND SHORT STATEMENT OF THE MATTERS INVOLVED

Petitioners' complaint charges statutory infringement of their trade-mark "PENNZOIL" used for motor lubricating oils and registered in the Patent Office under the Act of February 20, 1905, by defendant's use of "GREENZOIL" for the same goods. The complaint also charges infringe-

ment of petitioners' common law trade-mark rights and unfair competition by the same act (Complaint, Record, pp. 1-14). The District Court held that "GREENZOIL" did not infringe "PENNZOIL". The Court of Appeals affirmed on the opinion of the District Judge.

The plaintiffs are related corporations. The Pennsylvania plaintiff and its predecessor have always owned a controlling stock interest in the California plaintiff. The latter was organized to sell in the states west of the Rockies the products of the parent corporation. The California plaintiff in December 1915 adopted, and has since continuously used, the trade-mark "PENNZOIL" for certain lubricating oil and grease products. On August 1, 1916, it was granted federal registration No. 111,759 (plaintiffs' Exhibit 1), a copy of which is annexed. This registration was renewed on August 1, 1936, and is now in force. When "PENNZOIL" was registered, the parent corporation, pursuant to an agreement with the California plaintiff, commenced its use upon the same products and continuously sold these products throughout the United States east of the Rockies. This use has been continued by the Pennsylvania plaintiff. The lubricating oil sold by the petitioners under the trade-mark "PENNZOIL" has always had a single common source (the Pennsylvania plaintiff and its predecessor) and as sold by the related corporations has been of identical quality, grade for grade. (Findings 5-8; Record, pp. 39-40).

National advertising of "PENNZOIL" motor lubricating oil has been continuous and extensive since 1920. The mark has been registered in upwards of 100 foreign countries. Sales from 1928 through 1941 were over 143 million gallons. Export sales exceed 5 million gallons. (Finding 9; Record, p. 40).

In 1930 defendant's predecessor began the use of "GREENZOIL" as a designation of motor lubricating oil. All who were concerned with the selection of "GREENZOIL" knew at the time of "PENNZOIL" and its advertising. (Findings 10, 11 and 12; Record, p. 41).

"PENNZOIL" and "GREENZOIL" are both coined words.

When petitioners learned of "GREENZOIL" they protested and gave notice of their rights in "PENNZOIL". In July 1933 the use of "GREENZOIL" was discontinued and in October 1936 it was resumed by defendant's predecessor and has since been continued by defendant. Up to 1933 the product was sold as bulk oil and the word "GREENZOIL" was used as an advertising notation. When the use was resumed in 1936 "GREENZOIL" was for the first time used as a trade-mark, being applied to the cans in which the oil was sold. (Findings 13, 15 and 20; and answers to plaintiff's interrogatories 24 and 25; Record pp. 41, 42, 43; 470).

After learning of the resumed use of "GREENZOIL" petitioners filed their complaint.

The answer put in issue the validity of "PENNZOIL" as a trade-mark. It alleged that it is "merely descriptive of the type of crude oil from which the product is refined, that is, Pennsylvania-grade crude oil". The answer also denied the infringement of "PENNZOIL" by "GREENZOIL", although both are used as designations for lubricating oils (Answer, Seventh, Eighth and Ninth Defenses, and Paragraph 3 of Sixth Defense, Record, pp. 17, 18). The decision of the lower Courts turned upon these defenses.

The District Court held that "GREENZOIL" did not infringe "PENNZOIL". The Court of Appeals affirmed and adopted as its own the opinion of the District Court.

In his opinion the District Judge said "Is 'PENNZOIL' a valid trade-mark? For the purposes of this case I will assume that it is". (Record, p. 25). The validity of "PENNZOIL" being at issue, this statement, as a matter of legal effect, must be taken as a holding that "PENNZOIL" is a valid trade-mark, validly registered under the Act of 1905 and that petitioners, as the "owners", are entitled to the benefits of the Act.

In respect to colorable imitation the District Judge said "In other circumstances it is conceivable that 'GREENZOIL' might be considered a colorable imitation of 'PENNZOIL'. It is true that six letters in the alphabet forming the word 'GREENZOIL' also appear in the word 'PENNZOIL'. And if 'PENNZOIL' was a purely arbitrary mark * * * 'GREENZOIL' applied to the same kind of product might be regarded as a colorable imitation" (Record, p. 31). Since colorable imitation is also an essential question at issue, this statement can only be taken as a holding that "GREENZOIL", applied, as it is, "to the same kind of product", is a colorable imitation of "PENNZOIL".

It follows that in the Court's holdings we have all of the essential requirements of the Act, viz. (1) a valid technical trade-mark; (2) an accused trade-mark used for "merchandise of substantially the same descriptive properties" ("the same kind of product"); and (3) an accused trade-mark which is a colorable imitation of the registered mark.

The Court, however, while thus admitting that "GREENZOIL" is a colorable imitation of "PENNZOIL", held it not to be a colorable imitation "in the circumstances here present". These are that the two coined trade-mark words, although used for "merchandise of the same descriptive properties" (motor lubricating oil) are suggestive of qualities of motor lubricating oil, and differ in their specific

suggestive meanings, "PENNZOIL" suggesting derivation from Pennsylvania-grade crude and "GREENZOIL" suggesting a green color (Opinion, Record, p. 32).

The Court's denial of relief proceeds on the apparent inference or assumption that the fact that an accused mark is a colorable imitation of a technical trade-mark, and hence an infringement under terms of the Act, is not sufficient or controlling, and that, in the administration of the Act, extra statutory discriminations may be invoked to justify a holding that the accused mark is not a colorable imitation and, hence, not an infringement.

The inference or assumption of these discriminations is, it is submitted, an anomaly in the administration of the Act.

III.

THE STATUTES INVOLVED

The statutes which bear a direct relation to the questions presented are Sections 16 and 19 of the Trade-Mark Act of 1905 (15 U. S. C. A. 96 and 99). Section 16 states the elements of trade-mark infringement, and Section 19 states the powers of the Court and the specific relief which is conferred. These sections are as follows:

"Sec. 16, U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive prop-

erties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

"Sec. 19, U. S. C., title 15, sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed."

IV.

THE QUESTIONS PRESENTED

The questions involve the construction of Section 16 of the Trade-Mark Act of 1905 in respect to the scope of protection against colorable imitation.

The questions are:

(1) Whether the valid trade-mark "PENNZOIL" validly registered for lubricants under the Trade-Mark Act of 1905 is infringed by the colorable imitation "GREENZOIL" applied to competing goods.

(2) The Courts below, having held the trade-mark valid and the accused mark a colorable imitation, is infringement avoided by the fact that the two words have, etymologically, a different suggestion.

(3) When the Court has admitted the validity of a trade-mark registered under the Act as a technical trade-mark and has also admitted that the accused trade-mark word used for merchandise of the same descriptive properties is intrinsically a colorable imitation of the registered mark, whether the Court has the right to deny the owner of the registered mark the protection against colorable imitation which the Act gives.

(4) Whether the Court has the right, under the Act, to assay the registered mark as less than "purely arbitrary" or in terms of degrees of "arbitrariness", and on the basis of such assay to deny the owner of the registered mark the protection against colorable imitation which the Act gives.

(5) As between a registered trade-mark and an accused trade-mark word, both as described in questions (1) and (2), where the registered trade-mark is the subject of na-

tion-wide use, admitted by the Court to be exclusive for many years prior to the use of the accused trade-mark word, whether the fact that the registered trade-mark and the accused trade-mark word may differ, when analyzed, in the meaning suggested by them, prevents the accused mark from being a colorable imitation within the meaning of the Trade-Mark Act.

V.

REASONS RELIED UPON FOR THE ALLOWANCE OF THE WRIT

(1) It is a matter of public importance that the owner of a technical trade-mark registered under the Trade-Mark Act of 1905 should be protected against colorable imitation by other trade-marks used for merchandise of the same descriptive properties. The Circuit Court of Appeals has denied petitioners the protection which the Trade-Mark Act of 1905 confers.

(2) It is a matter of public importance that the provisions of the Trade-Mark Act of 1905 should not be set aside or disregarded by the Courts charged with its administration by applying supposed distinctions not in the statute.

(3) The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be, settled by this Court.

(4) The Circuit Court of Appeals has decided a federal question in a way probably in conflict with applicable decisions of this Court.

(5) The Circuit Court of Appeals has decided an important question of federal law in a way probably untenable and in conflict with the weight of authority.

(6) The validity of the trade-mark "PENNZOIL" having been assumed, the trade-mark being validly registered as a technical trade-mark under the Act of 1905, the accused trade-mark "GREENZOIL" being affixed to merchandise of the same descriptive properties and having been found to be intrinsically a colorable imitation of "PENNZOIL", the duty of the lower Courts under the Act was clear and mandatory, namely to grant petitioners the relief against infringement which the Act confers. The lower Courts failed, or refused, to discharge this duty.

(7) The lower Courts refused to enforce the Trade-Mark Act of 1905 in respect to Sections 16 and 19 (15 U. S. C. A. 96 and 99).

(8) The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings, and so far sanctioned such departure by the District Court, as to call for this Court's power of supervision.

Petitioners ask this Court to grant a writ of certiorari to the Circuit Court of Appeals for the Fourth Circuit to review its decree in this case.

Respectfully submitted,

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Attorneys for Petitioners.





BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

THE OPINIONS BELOW

The opinion of the District Court is published in 50 F. Supp. 891, and is at pages 19-38 of the record, and the opinion of the Court of Appeals is published in 140 F. 2d 387, and is at page 486 of the record.

JURISDICTION

The petition sets forth, on page 2, the grounds on which jurisdiction is invoked.

STATEMENT OF THE CASE

The facts directly pertinent to the questions presented by the petition are set forth on pages 2-6, under the caption "Summary and Short Statement of the Matters Involved". Other pertinent facts are set forth in findings and in the evidence.

The findings are:

- "21. Plaintiffs' evidence shows that it is a practice of some trade-mark proprietors to use for different items of the same merchandise or for kindred items of merchandise different trade-marks which by resemblances in some dominant or distinctive feature are intended to show the kinship of the merchandise items to a common source and that such proprietors have advertised their trade-marks of this character to the purchasing public.
24. Plaintiffs' evidence shows various instances in which 'Pennzoil' and 'Greenzoil' are sold by the same jobbers. Plaintiffs' evidence also shows that it is customary at filling stations to sell premium grade and

secondary grade motor lubricating oils, and that at many stations both 'Greenzoil' and 'Pennzoil' are sold and displayed for sale in juxtaposition or in juxtaposed racks and that in all cases where both 'Greenzoil' and 'Pennzoil' are sold at the same stations, 'Pennzoil' sells at 33¢ or 35¢ per quart and 'Greenzoil' never above 25¢ per quart, and in many stations at 20¢ per quart and 15¢ per quart." (Record pp. 43, 44).

The practice set forth in Finding 21 is pertinent on the question of colorable imitation. The kinship of origin of the merchandise items, as a matter of legitimate practice, is exemplified, with respect to registered trade-marks, by plaintiffs' exhibits 17, 18 (relating to petroleum products) and 19, and with respect to advertised trade-marks by plaintiffs' exhibit 20. (Record, pp. 432-463).

In his opinion the District Judge found "that some of the distributors of motor lubricating oils sell two grades of oil under variant trade names, as for instance 'Veedol' and 'Tydol', both products of the Tide Water Oil Company of Pennsylvania" (Record, p. 24). Plaintiffs' witness, Daves, a filling station operator, carried "Veedol" and "Tydol" motor lubricating oils, selling respectively at 35¢ and 25¢ per quart; in addition he carried "Friend Penn" and "Your Friend" motor lubricating oils, products of Billups Petroleum Company, selling respectively at 35¢ and 25¢ per quart, and "Zerex" and "Zerone" anti-freeze compounds, products of Du Pont, selling respectively at \$2.65 and \$1.00 per gallon. These are all instances of legitimate practice where the proprietor's intention is to show the kinship of the different merchandise items to a single source of origin. However, along with these legitimate variants, Daves also carried "PENNZOIL" at 35¢ per quart and "GREENZOIL" at 25¢. (Record, pp. 252-254).

The evidence of defendant's Secretary, Bowles, testifying under subpoena at plaintiffs' instance, is in accord. Many years after plaintiffs adopted and registered "PENNZOIL", defendant's predecessor commenced the use of "Crownzol" for gasoline (Finding 22 and answer to plaintiffs' interrogatory 53, Record, pp. 43, 44; 53). Among the reasons assigned by Bowles for the adoption of "GREENZOIL" is that it bears a "family relationship" to "Crownzol". The pertinent testimony is as follows:

"Q. Then, am I to understand that in adoption of the notation GREENZOIL you took into account the fact that in the syllable 'ZOIL' it would have a feature in common, or substantially in common, with the notation 'CROWNZOL'? A. With CROWNZOL.

* * * * *

A. We were tying it up with that.

Q. Did you thereby consider that sales advantages would be derived?

* * * * *

A. It is possible that we did. I assume that we wanted to have these two to be sold together.

Q. In other words, it was contemplated that the common feature of the two notations would suggest family relationship between the products, is that right?

A. I would say it was." (Record, pp. 301, 302).

Thus, in the Courts' findings and in the evidence on plaintiffs' behalf there is substantial affirmative support for the proposition of confusion of origin in the sale and purchase of the merchandise upon which "PENNZOIL" and "GREENZOIL" are used, namely, motor lubricating oils.

ERRORS ASSIGNED

The errors assigned sufficiently appear in "The Questions Presented" (ante, pp. 8-9).

ARGUMENT

The validity of "PENNZOIL" was challenged under the following proviso of Section 5 of the Act (15 U. S. C. A. 85):

"That no mark which consists * * * merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this Act".

On this issue, the Courts' assumption of validity "for the purposes of this case" is a judicial determination which forecloses the question. It is a determination of the validity of "PENNZOIL" as a technical trade-mark.

Section 5 follows the common law. At common law "suggestive" trade-marks have always been recognized as technical trade-marks (*N. K. Fairbank Co. v. Central Lard Co.*, 64 F. 133, 135, holding valid "Cottolene" as a lard substitute; *Pennsylvania Salt Mfg. Co. v. Myers*, 79 F. 87, 89, holding valid "Saponifier" for concentrated lye; *Consolidated Ice Co. v. Hygeia Distilled Water Co.*, 151 F. 10, 11, C. C. A. 3rd, an action under the common law in which the Court held valid "Hygeia", as applied to distilled water). The intent of the statute has been well stated by Judge Learned Hand:

"The mark may be so far from colloquial language as not to be confused with any descriptive phrase, and yet convey the same meaning. This distinction section 5 of the statute means to preserve." (*Oakland Chemical Co. v. Bookman*, 22 F. 2d 930, 931, C. C. A. 2d).

Accordingly under Section 5 all technical trade-marks are admitted to registration on an equal footing. There are no categories of, or distinctions between, trade-marks "purely arbitrary" and those not "purely arbitrary". The sole requisite is that the mark be not merely descriptive

of the goods, their character or quality, or merely a geographical name or term.

Under Section 16, all trade-marks registered under Section 5 are given equal protection. The registration is "prima facie evidence of ownership". The "owners" are uniformly protected against "colorable imitation" without any discrimination, restrictions or limitations. Under Section 16 "colorable imitation" is wholly factual. If the fact be found there is no statutory basis for denying its existence or for withholding relief.

The lower Courts' determination of the issue of "colorable imitation" is no less affirmative because expressed in subjunctive form. Stripped of qualifications, the determination is found in the following passages:

"* * * it is conceivable that 'Greenzoil' might be considered a colorable imitation of 'Pennzoil'. It is true that six letters in the alphabet forming the word 'Greenzoil' also appear in the word 'Pennzoil'. * * * 'Greenzoil' applied to the same kind of product might be regarded as colorable imitation." (Record, p. 31).

With this determination all of the statutory requirements for relief are fulfilled.

However, the lower Courts denied relief. They held, in substance, that "GREENZOIL", although factually a colorable imitation, is not a colorable imitation under the Act, and based this conclusion upon discriminations which have no basis either in the Act or at common law. The complete passage with the discriminations indicated by italics is as follows:

"*In other circumstances* it is conceivable that 'Greenzoil' might be considered a colorable imitation of 'Pennzoil'. It is true that six letters in the alphabet forming the word 'Greenzoil' also appear in the word 'Pennzoil'. *And if 'Pennzoil' was a purely arbitrary*

mark not describing or suggesting either 'oil' or 'Pennsylvania', but some entirely different product, 'Greenzoil' applied to the same kind of product might be regarded as colorable imitation. * * * Then again 'Pennzoil' as a mark for Pennsylvania lubricating oil is distinctly descriptive or at least suggestive * * *. 'Greenzoil' carries no such suggestion with respect to the geographical origin of the oil. Its suggestiveness is of color, green." (Opinion, Record, pp. 31, 32).

This is, essentially, a holding that where a technical trade-mark, because of a suggestive meaning, is not "purely arbitrary", colorable imitation, although a fact, cannot be found under the statute if the accused mark has a different suggestive meaning. This is the sole ground for the denial of relief.

Substantive law furnishes no basis for this holding. It has never recognized a mere difference in meaning, without more, as a defense. (*Williams Waltke & Co. v. George H. Schafer & Co.*, 263 F. 650, 652, D. C. App.; *N. K. Fairbanks Co. v. Ogden Packing & Provision Co.*, 220 F. 1002, 1003, D. C. Utah; *Kroger Grocery & Baking Co. v. Blue Earth Canning Co.*, 88 F. 2d 725, 726, C. C. P. A.)

It is accordingly submitted that the lower Courts disregarded the terms and intent of Section 16 of the Trade-Mark Act of 1905, and failed, or refused, to accord petitioners, as the "owners" of the trade-mark "PENNZOIL", the relief against infringement which the Act confers.

The holding is in conflict with the decisions of this Court in *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, 468, 469, and *Armstrong Co. v. Nu-Enamel Corporation*, 305 U. S. 315, 332, 333.

The *Thaddeus Davids* decision clearly points out, and stresses, the mandatory nature of the Act in the require-

ment for the protection of the "owners" of registered trade-marks against colorable imitation. Justice Hughes, delivering the opinion of the Court, said:

"Having the right to register its mark, the complainant was entitled to its protection as a valid trade-mark under the statute. As defined in section 29, 'the term 'trade-mark' includes any mark which is entitled to registration under the terms of this act.' * * * The further argument is made that, assuming that the complainant has a valid registered trade-mark, still the protection is limited to its use when standing alone (as the complainant has used it on its labels) and that there can be no infringement unless it is used in this precise manner. The statutory right cannot be so narrowly limited. Not only exact reproduction, but a 'colorable imitation' is within the statute; otherwise the trade-mark would be of little avail as by shrewd simulation it could be appropriated with impunity. The act provides (section 16: 'Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark * * * and shall use, or shall have used, such reproduction, counterfeit, copy or colorable imitation in commerce among the several States * * * shall be liable * * *' This provision applies to all trade-marks that are within the act * * *."

In the *Nu-Enamel* case, the District Court refused to give effect to the Trade-mark Act of 1920, adopting an interpretation at variance with the terms of the Act. Concerning this departure from the statute, the decision states:

"This Court has had several occasions within the last few years to construe statutes in which conflicts between reasonable intention and literal meaning occurred. We have refused to nullify statutes, however hard or unexpected the particular effect, where unambiguous language called for a logical and sensible result. Any other course would be properly condemned as judicial legislation. However, to construe

statutes so as to avoid results glaringly absurd, has long been a judicial function. Where, as here, the language is susceptible of a construction which preserves the usefulness of the section, the judicial duty rests upon this Court to give expression to the intentment of the law."

Apart from cases turning on purely equitable defenses, none of which are involved here, petitioners have been unable to find any decision of any Federal Court charged with the administration of the Trade-Mark Act of February 1905, or of earlier acts, comparable to the decision of the lower Courts in this action, that is to say a decision wherein the validity of the registered mark has been assumed or determined, colorable imitation by the accused mark competitively used has been found, or conceded, as a fact and the relief which the statute confers has been denied.

The lower Courts' denial of relief, therefore, presents important questions never passed upon by this Court and which involve (1) the power of the lower Courts, on the assumption or determination of the validity of the registered mark and the finding or concession of colorable infringement by an accused trade-mark competitively used, to deny the relief which the statute confers, and (2) whether colorable imitation in fact can be ruled out as not being colorable imitation under the Act, because, without more, the registered and accused marks have different specific suggestive meanings.

Substantive rights, under the Act, are not rigidly confined in a narrow historic frame. Their determination and definition are matters of progressive evolution. Justice Holmes has pointed out that the monopoly of a trade-mark "deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be pro-

tected with corresponding care" (*Bourjois & Co. v. Katzel*, 260 U. S. 689, 692). In the general public interests "with the tremendous development in modern methods of selling and advertising, trade-mark protection has become a matter of national concern affecting interstate commerce even where a trade-mark may be used predominantly within the boundaries of only a few states, and security of business and commerce demand the establishment of more effective statutory safeguards and protection."*

In the seventy-five years which have elapsed since the first federal trade-mark statute (1870) there has been no decision of this Court definitive of "colorable imitation" or suggestive of any concrete or specific standards for its determination. In the meantime the Judiciary Act of 1891 created the nine Circuit Courts of Appeals, since enlarged to ten, each, with due regard to comity, autonomous and final in its decisions in the interpretation and administration of federal trade-mark statutes save in the period when direct appeals to this Court were allowed.

The administration of the Trade-Mark Act is divided between the Constitutional Courts, that is to say, the ten Circuit Courts of Appeals and the District Courts, and in addition the District Court and the Court of Appeals of the District of Columbia, and the administrative tribunals of the Patent Office, including the United States Court of Customs and Patent Appeals. Moreover, *ex parte* and *inter partes* cases originating in the Patent Office in application, opposition and cancellation proceedings, may be brought into the Constitutional Courts under R. S. Section

* Walter J. Derenberg, "Trade-Marks Ante Portas", Yale Law Journal, Volume 52, September 1943, p. 829 (a review of trade-mark cases under the Act of 1905 in which certiorari has been granted and denied).

4915 (35 U. S. C. A. 63). "Colorable imitation" under Section 16 of the Act, within the province of the Constitutional Courts, has the same meaning as "likely to cause confusion or mistake in the mind of the public or to deceive purchasers" in Section 5 of the Act within the province of the administrative tribunals and also, under R. S. Section 4915, of the Constitutional Courts (*Century Distilling Co. v. Continental Distilling Corp.*, 23 F. Supp. 705, 707).

Since the passage of the Act, there have been hundreds of decisions by the administrative tribunals of the Patent Office and the Constitutional Courts which have turned upon the question of confusing similarity or colorable imitation. Many of these are irreconcilable, due to lack of agreement as to rules or standards for the determination of "colorable imitation". In a number of cases there has also been conflict on this question in respect to the same registered trade-mark between the decisions of administrative tribunals and the Constitutional Courts. In fact, such a conflict exists in respect to petitioners' mark "PENNZOIL", between the decision of the Circuit Court of Appeals and an earlier decision (1930) of the Commissioner of Patents (*The Pennzoil Company vs. The Canfield Oil Company*, 5 U. S. P. Q. 433) in a proceeding opposing the registration of "Canzol" for gasoline by reason of petitioners' rights in "PENNZOIL". Both parties took testimony and the decision of the Examiner of Interferences, sustaining the opposition, was appealed to the Commissioner of Patents, who affirmed, refusing registration because the resemblances of "Canzol" to "PENNZOIL" were such "as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers", (Section 5 of the Act of 1905). The *Canzol* decision cannot be reconciled with the ruling of the Circuit Court of Appeals that an etymological

difference, without more, avoids "colorable imitation" under the statute.

It is submitted that the questions presented are important; that, colorable imitation having been found as a fact, the duty of the Court to enforce the statute is clear; and that, having regard to the evolution of substantive law since the passage of the Federal Trade-mark Acts, to the many cases which have been decided under the Act of 1905, to the irreconcilable conflicts between a number of the decisions of the courts and tribunals acting autonomously, and the lack of uniformity of agreement as to the rules or standards for the determination of the question of colorable imitation, the need for clarification is pressing and the opportunity for it is furnished by this case.

Respectfully submitted,

EDWARD S. ROGERS,

JOHN S. POWERS,

Attorneys for Petitioners.



The Pennzoil Company, a corporation of California.

UNITED STATES PATENT OFFICE.

PANAMA LUBRICANTS COMPANY, OF LOS ANGELES, CALIFORNIA.

TRADE-MARK FOR LUBRICANTS

111,759.

Registered Aug. 1, 1916.

Application filed January 12, 1916. Serial No. 93,063.

STATEMENT.

To all whom it may concern:

Be it known that PANAMA LUBRICANTS COMPANY, a corporation duly organized under the laws of the State of California, and located in the city of Los Angeles, county of Los Angeles, in said State, and doing business at No. 2624 Santa Fe avenue, in the city of Los Angeles, State of California, has adopted and used the trade-mark shown in the accompanying drawing, for lubricants, in Class No. 15, Oils and greases.

The trade-mark has been continuously used in the business of said corporation since December 28th, 1915.

The trade-mark is applied to the packages containing the goods, by placing thereon a printed label on which the trade-mark is shown.

PANAMA LUBRICANTS COMPANY,

By A. Y. SOULÉ,

Secretary.

PENNZOIL

DECLARATION.

State of California, county of Los Angeles, ss:

A. Y. SOULÉ, being duly sworn, deposes and says that he is the secretary of the corporation, the applicant named in the foregoing statement; that he believes the foregoing statement is true; that he believes said corporation is the owner of the trade-mark sought to be registered; that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use said trade-mark in the United States, either in the identical form or in any such near resemblance thereto as

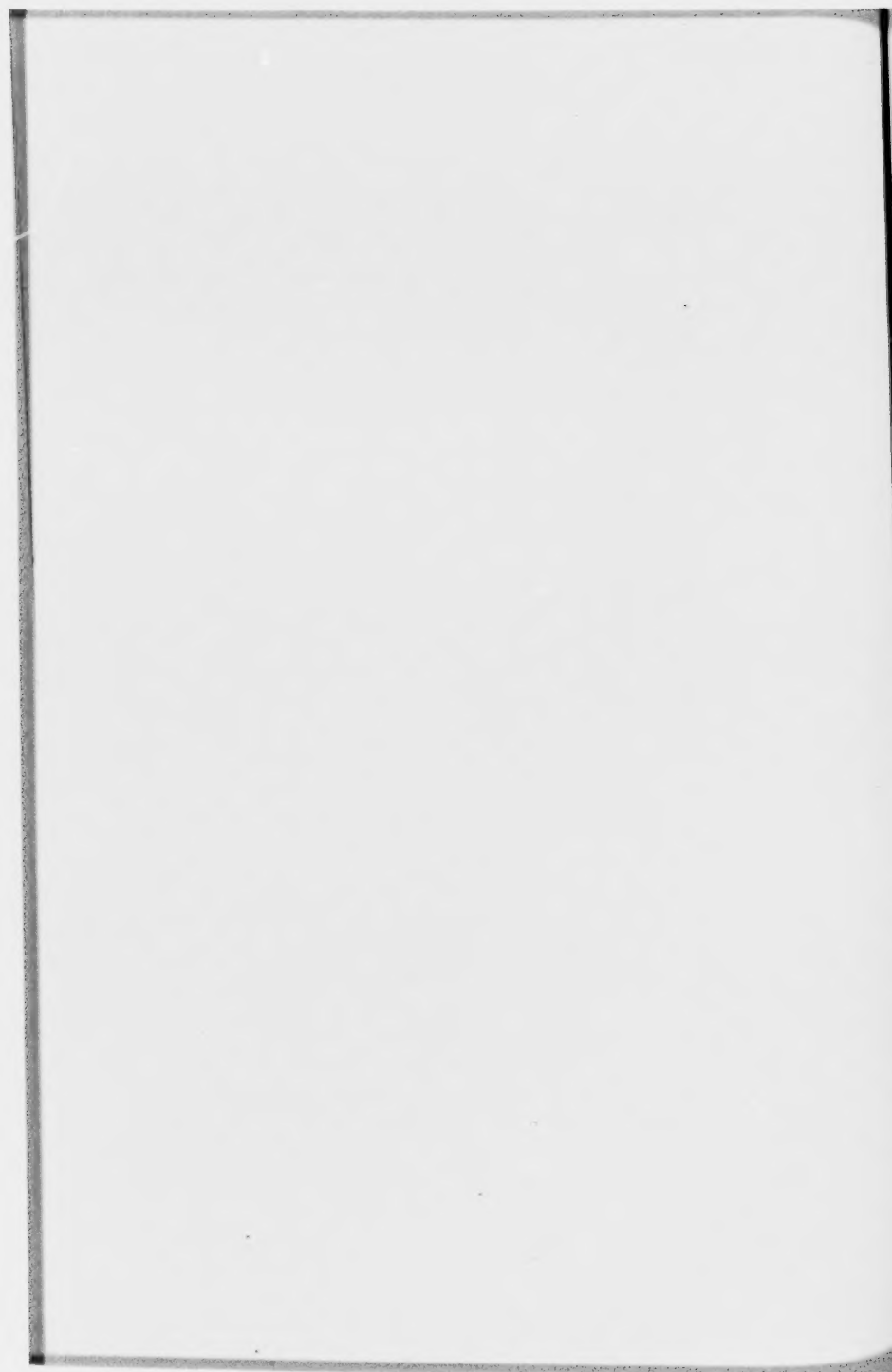
might be calculated to deceive; that said trade-mark is used by said corporation in commerce among the several States of the United States; that the description and drawing presented truly represent the trade-mark sought to be registered; and that the specimens shows the trade-mark as actually used upon the goods.

A. Y. SOULÉ.

Subscribed and sworn to before me, a notary public, this 6th day of January, 1916.
[L. s.]

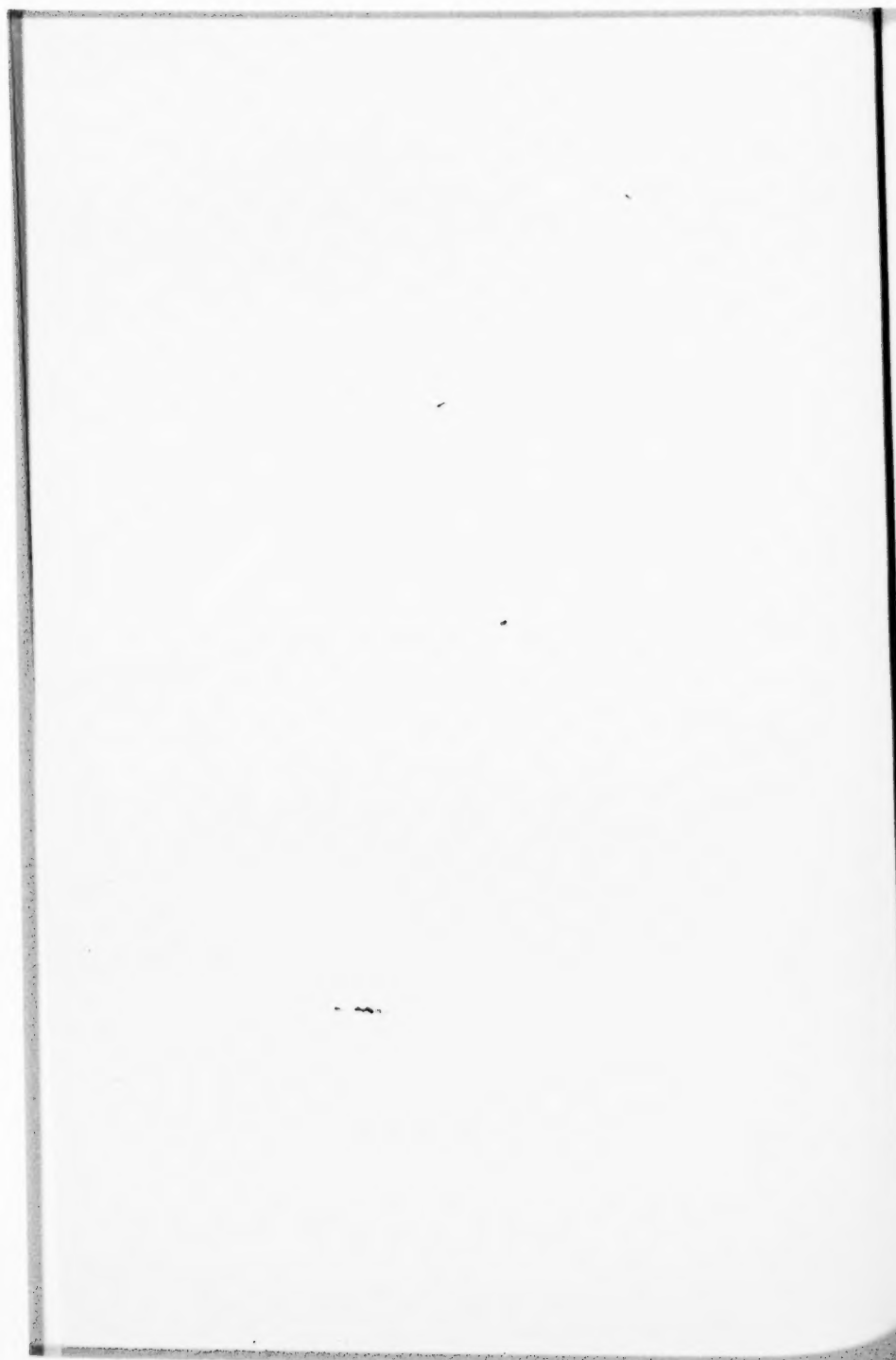
C. S. JAMES,
Notary Public.

Copies of this trade-mark may be obtained for five cents each, by addressing the "Commissioner of Patents, Washington, D. C."









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MAY 16 1944

CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, 1943

No. 914

THE PENNZOIL COMPANY, A CORPORATION OF
CALIFORNIA,

AND

THE PENNZOIL COMPANY, A CORPORATION OF
PENNSYLVANIA,

Petitioners,

VS.

CROWN CENTRAL PETROLEUM CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PLAINTIFFS' PETITION FOR WRIT OF CERTIORARI

KARL F. STEINMANN,
EDWIN H. BROWNLEY,
American Building,
Baltimore, Md.,
Attorneys for Respondent.



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*To the Honorable, the Chief Justice of the United States
and the Associate Justices of the Supreme Court
of the United States:*

STATEMENT OF THE CASE.

In this case, the plaintiffs in their petition for the Writ of Certiorari have attempted to make it appear that the plaintiffs, by some action or ruling of the lower Courts,

have been denied the benefits of the Trade Mark Act of 1905. The plaintiffs allege in their said petition, in this Court filed, that the District Court below held, that the respondent's mark "Greenzoil" is a colorful imitation of the plaintiffs' mark "Pennzoil". The plaintiffs argue that because of this finding, the plaintiffs have been denied the benefit of the Trade Mark Act. It so happened that the Court below did not so find; otherwise, judgment would have been entered for the plaintiffs on the issues drawn and submitted in the District Court. What the Court found was, *no infringement*, *no colorable imitation*, and *no unfair competition*, accordingly, judgment of the District Court was for this respondent, Crown Central Petroleum Corporation, the defendant below, which judgment on appeal was affirmed by the Fourth Circuit Court of Appeals, said Court adopting the opinion of the District Court as its opinion.

An examination of the record filed with the plaintiffs' petition for Certiorari shows judgment by the District Court below entered for the defendant, Crown Central Petroleum Corporation, respondent here (see Record, page 48), finding of facts (see Record, pages 38 to 47), conclusions of law (see Record, page 47), District Court's opinion (see Record, pages 19 to 38). On plaintiffs' appeal, for action of the Fourth Circuit Court of Appeals, judgment of the lower Court "affirmed" (see Record, page 486), for adoption of the District Court's opinion as the opinion of the Fourth Circuit (see Record, page 486).

Comparing the record with the allegations on which the plaintiffs base their application for Certiorari, it is apparent, that the questions raised and assigned are not borne out by the record, and accordingly, are unsubstantial, and that the arguments advanced by the plaintiffs in support thereof, are frivolous, and without merit.

Further reviewing the record, it will appear that all issues drawn and submitted after argument were decided adversely to the plaintiffs by the District Court and the Circuit Court of Appeals. Furthermore, in the District Court, after entry of judgment for this respondent, the plaintiffs did not file any objections to the Court's findings of facts or conclusions of law, or move for a new trial, nor did the plaintiffs, on their appeal to the Fourth Circuit, after judgment of the District Court had been affirmed, move for a rehearing, file any exceptions or objections whatsoever, or point to any error in any ruling on the facts or the law, or, to a denial to the plaintiffs of any right under any statute, federal or state, or that the law as applied, was in conflict with a decision of any other Circuit, or, that the findings of the Court, were contrary to the weight of authority.

WHAT ARE THE FACTS?

On April 1, 1942, the plaintiffs filed in the District Court their amended and substituted Bill of Complaint against this respondent, alleging infringement of the plaintiffs' mark, "Pennzoil", and unfair competition by this respondent in the use of its mark, "Greenzoil" on motor lubricating oils (Record, page 1).

The plaintiffs have a refinery at Rouseville, Pa. (Record, page 45), and their product is claimed by them to be 100% pure Pennsylvania oil (Record, page 24), known to the trade as a paraffine base product (Record, page 20). This respondent has a refinery at Houston, Texas (Record, page 21), and its products of lubricating oils are made from Texas or other crude oils known to the trade as an asphalt or naphthene base product. (See Court's opinion, Record, pages 20 and 26).

The color arrangement and style of cans used by plaintiffs and this respondent in the distribution of these products are fully set out in the lower Court's opinion. The lower Court said, describing the labels, color scheme on cans, designs, and the name and address of the respective makers, "*as having no similarity*", (See Record, page 24). The Court further found, "*no infringement or unfair competition, actual or constructive*", (See Record, page 47).

The plaintiffs' petition for certiorari rests on an alleged finding of the District Court; viz., that the respondent's mark "Greenzoil" is a colorable imitation of the plaintiffs' mark "Pennzoil", (see plaintiffs' Brief, page 8) and because of this alleged finding, the plaintiffs argue that they have been denied the benefits of the trade mark act, as the Court, notwithstanding the alleged finding, entered judgment for this respondent, which judgment was affirmed by the Court of Appeals (4th Circuit). The fact that judgment below was entered for this respondent and affirmed on appeal indicates that consideration was given to the provisions of the trade mark act, and as there was no evidence of colorable imitation, none of the acts of this respondent amounted to infringement or unfair competition. It is unfortunate that the plaintiffs, to make it appear that some right has been denied them, should resort to allegations not borne out by the Record, and merely for the purpose of making a showing, misquote what the Court did say, as applied to the facts in this case.

So that this Court will not be misinformed as to what the lower Court did say, we refer to the District Court's opinion, and quote what the Court did say, as applied to the facts in this case, on the question of "colorable imitation". Under the heading, "Is Greenzoil a colorable imitation of Pennzoil?", the Court said, "I think not—in the circumstances here present." (See Record, page 31.)

ARGUMENT

The granting of a writ of certiorari being one of discretion this Court will not issue the writ for the purpose of a retrial by this Court of matters tried and adversely decided against the applicants by the District Court and the Circuit Court of Appeals.

Mr. Justice Holmes, in the case of *Joseph Schlitz Brewing Company vs. Houston Ice Company*, reported in 250 U. S. 28, 63 L. ed. 822, said, "Whether, upon inspection, it can be said as a matter of law that the admitted acts of the defendant are a wrong of which the plaintiff can complain, is the only question which the Federal Supreme Court will consider in a trade mark or unfair competition suit in which both Courts below have found for the defendant."

In the case of, *Re Lau Ow Bew*, 141 U. S. 583, 35 L. Ed. 868, this Court said, "The power will be exercised sparingly and only when questions of gravity and importance are involved."

See also, *In re Woods*, 143 U. S. 202, 36 L. ed. 125; *Forsyth vs. Hammond*, 166 U. S. 506, 41 L. ed. 1095.

From other cases decided by this Court, we quote the following, "The concurrent findings of the two lower Courts * * * will be accepted by the Federal Supreme Court * * * unless clearly erroneous." *The Germanic (Oceanic Steam Nav. Company vs. Aitken)*, 196 U. S. 589, 49 L. ed. 610.

In *Alabama Power Company case vs. Ickes*, 302 U. S. 464-477, 82 L. ed. 374-377, the Court said, "Findings which have substantial support in the evidence will be accepted by the reviewing Court as unassailable." (Findings not questioned in the Court below.)

In *General Talking Pictures Corp. vs. Western Electric Company*, 304 U. S. 175, 82 L. ed. 1273, it was said, "The Supreme Court of the United States will not grant a writ of certiorari merely to review the evidence or inferences drawn from it."

See also, *Anderson vs. Abbott*, U. S. Advance Sheets, Vol. 88, No. 10, page 535.

From this case, we quote the following, "Where no clear error is shown, the Supreme Court of the United States will accept findings of facts concurred in by a Federal District Court and the Circuit Court of Appeals."

Rule 38 of the Supreme Court, paragraph 5, provides: "A review on writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only where there are special and important reasons therefor." The rule further provides, *while neither controlling nor fully measuring the Court's discretion*, sub sec. 5 B of the rule indicates *the character of reasons which will be considered as a guide for the Court's exercise of its discretion*.

Applying the rule above stated and the various decisions of this Court, none of the questions assigned by the petitioners are of a character mentioned in the rule or in sub-section 5 B thereof, or, are they of sufficient importance to invite this Court's attention.

The plaintiffs, having had their day in the District Court and in the Fourth Circuit Court of Appeals, to grant the writ of certiorari in this case based on any of the grounds assigned by the plaintiffs, would merely afford the plaintiffs the opportunity of another day in Court for a retrial by this Court of the matters and facts submitted below, on which judgment was entered for this respondent and affirmed on appeal, the Court of Appeals (Fourth Circuit) adopting the District Court's opinion as its own (Record, page 486).

CONCLUSION

In our opinion, the case below never reached a point of higher dignity than any ordinary trade mark case, and no questions that the plaintiffs raised were left unanswered, or do they require any further clarification.

It appearing that the plaintiffs' application for a writ of certiorari not being based on any grounds of a substantial character, or involving any erroneous findings of fact, or of law, application for the writ should be denied, with costs.

Respectfully submitted,

KARL F. STEINMANN,
EDWIN H. BROWNLEY,
Attorneys for Respondent.